

**ORDINANCE**

**APPROVING A DEVELOPMENT AGREEMENT WITH GRAYSTREET HOUSTON – E. 305 HOUSTON STREET, LLC FOR THE GRANT/KRESS REHABILITATION PROJECT, LOCATED AT 305 AND 315 EAST HOUSTON STREET, IN CITY COUNCIL DISTRICT ONE AND WITHIN THE HOUSTON STREET TAX INCREMENT REINVESTMENT ZONE.**

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**WHEREAS**, the City of San Antonio (“City”) and the Houston Street TIRZ Board of Directors (“Board”) support programs which allow for economic development within its boundaries; and

**WHEREAS**, on September 17, 2018, GrayStreet Houston - E. 305 Houston Street, LLC submitted a request for TIRZ funding for the Grant/Kress Building Rehabilitation project to be located at 305 and 315 East Houston Street, in City Council District 1, and within the boundary of the Houston Street TIRZ; and

**WHEREAS**, the project consists of the rehabilitation of the vacant Grant Building and the historic Kress Building, to provide integration on multiple levels, with a 15,000 square foot food hall, 26 underground parking spots, a rooftop terrace, restored historical facades, and new glass openings on the east wall of the Kress Building. The renovating and integrating of these two significant buildings is expected to create a truly unique presence that will attract new employment, economic activity, and increased foot traffic to Houston Street and Downtown; and

**WHEREAS**, the total development cost of the project is approximately \$43,582,116.00, which includes public infrastructure improvements; and

**WHEREAS**, in accordance with Section 311.010 (b) of the Act, the Board is authorized to enter into agreements to dedicate revenue from the tax increment fund to pay for eligible project costs related to the construction of public infrastructure and eligible project costs that benefit the TIRZ; and

**WHEREAS**, on May 20, 2019, the Board adopted a Resolution authorizing approval of the execution of this Agreement costs in an amount not to exceed \$1,250,000.00 to provide reimbursement for eligible expenses, namely façade renovation and waterproofing, green roof, and the restoration of historic features; and

**WHEREAS**, it is now necessary for the City Council to approve a Development Agreement with GrayStreet Houston - E. 305 Houston Street, LLC. **NOW THEREFORE:**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:**

**SECTION 1.** The terms and conditions of a Development Agreement with GrayStreet Houston - E. 305 Houston Street, LLC are hereby approved. A copy of the agreement, in substantially final form, is attached to this Ordinance as **Exhibit A**.

CR  
06/13/19  
Item No. \_\_\_\_\_

**SECTION 2.** The City Manager or his designee is hereby authorized to execute the Development Agreement which has been incorporated into this Ordinance for all purposes.

**SECTION 3.** This Ordinance shall be effective upon passage by eight affirmative votes; otherwise it shall be effective on the tenth day after passage.

**PASSED AND APPROVED** this 13<sup>th</sup> day of June, 2019.

**M A Y O R**  
Ron Nirenberg

**ATTEST:**

**APPROVED AS TO FORM:**

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Leticia M. Vacek, City Clerk

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Andrew Segovia, City Attorney